

December 5, 2006



**TRANSCRIPT**  
**December 5, 2006**

**MONTGOMERY COUNTY COUNCIL**

Marilyn J. Praisner, President	Michael Knapp, Vice President
Phil Andrews	Roger Berliner
Marc Elrich	Valerie Ervin
Nancy Floreen	George Leventhal
	Duchy Trachtenberg



December 5, 2006

George Leventhal,

Good morning. The Reverend Theodorous Asfaw, our friend from the Adventist Health Care System Chaplain is here to give us invocation.

Reverend Theodorous Asfaw,

Let us posture for prayer. Our creator, redeemer, and sustainer, we praise you for your presence and guidance of this August Body. We come before you with gratitude for those who have served well, and good will to their future endeavors. Our mighty one, as this council makes closure and embarks on a new transition, I ask that you give each member and staff with determined understanding, patience and discernment, compassion and collaboration as they labor to serve your people throughout the county. This is our prayer. Amen.

Council President George Leventhal.(Outgoing President)

Amen. Ms. Lauer are there any agenda or calendar changes this morning?

Linda Lauer.

You have before you a revised agenda we just incorporated all of the changes. But, let me go over the additions. Consent calendar has two additional items for introduction, a resolution regarding strategic and long range facility planning, sponsored by Council Vice President Praisner, action is tentatively scheduled for next Tuesday. The introduction of the resolution to support the Purple Line Corridor Cities Transitway and HR 3496 sponsored by council members Mike Knapp, and Nancy Floreen. Action tentatively scheduled for next Tuesday. Introduction of a resolution directing Planning Board study of growth policy issues supported by Council Vice President Praisner. Action for next Tuesday. District council session, introduction of a subdivision regulation amendment on preliminary subdivision plans and approvals, applicability of growth policy amendments sponsored by Council Vice President Praisner, with a public hearing planned for January 16th at 7:30. And then later this morning is a proposed closed session for the purpose of consulting with counsel to obtain legal advice. The topic is American Financial Services versus Montgomery County. Thank you.

Council President George Leventhal (Outgoing President).

Thank you, Ms. Lauer. Are there minutes for approval?

Council Clerk

The minutes of October 31st and the closed session minutes of October 10th for approval..

Council President George Leventhal(Outgoing President),



December 5, 2006

1 Can I get a motion to approve the minutes? Ms. Floreen has moved and Mr. Knapp has  
2 seconded approval of the minutes of October 31st and closed session on October 10th.  
3 Those in favor of approving the minutes will signify by raising their hands. It is  
4 unanimous.

5  
6 Councilmember Nancy Floreen  
7 First Vote.

8  
9 Council President George Leventhal (Outgoing President),  
10 Are there, are there any petitions did we go over those?

11  
12 Council Clerk,  
13 There are no petitions.

14  
15 Council President George Leventhal (Outgoing President),  
16 No petitions. This is the point on the agenda where we have comments by Council  
17 President George Leventhal. I want to thank my colleagues for giving me the honor as  
18 serving as council president for the last year. I really want to thank my excellent, hard-  
19 working staff, my Chief of Staff, Patty Vitale, my office manager, Walt Harris, policy  
20 analyst, Cassandra Fletcher and I also want to acknowledge that my former Chief of  
21 Staff, the Honorable Valerie Ervin got me started during my years as president, and , I  
22 am grateful for her help as well. I am very very grateful to our fifth floor staff, who  
23 worked extraordinarily hard, brilliant people who put up with our craziness and turn it  
24 into a good public policy. It is a lot of fun being Council President. One of the cool things  
25 about it is that very few people in the community actually understand what the Council  
26 President means. Frequently I find myself being introduced as President of Montgomery  
27 County. (laughing) Last night in my waning hours of Presidential power, I considered  
28 what I ought to do. There were a couple countries I wanted to invade. But you go to war  
29 with the Army you have and I didn't have one. So I decided the best way to could serve  
30 the public interest this morning was just to shut up. With that, we will have the election  
31 of Council Officers. Is there a motion to nominate a new Council President? Ms. Ervin?

32  
33 Councilmember Valerie Ervin,  
34 Thank you. I am getting my primer this morning. I would like to place Marilyn Praisner's  
35 name, it is an honor to nominate Marilyn Praisner as the next president of the  
36 Montgomery County Council. Marilyn's commitment to public service is extraordinary.  
37 As the longest serving woman ever on County Council, Marilyn is beginning her fifth  
38 term representing District Four. Marilyn has a wealth of experience as a county leader.  
39 She was Council President in 1993, and 1997, and Council Vice president in 1992, and  
40 1996, and has served in this role for the last year. Marilyn and I have many things in  
41 common. We have a shared history of service on the County Board of Education where  
42 Marilyn has served as Board President twice. As a member of the Board of Education  
43 she has led efforts to reduce class size to expand counseling to elementary schools and  
44 at dedicated space in schools for day care and health services. As a council member



December 5, 2006

1 Marilyn approaches everything she does with an amazing level of detail oriented  
2 professionalism. This is true whether she is responding to constituents, working to  
3 balance the budget as Chair of the Management and fiscal policy committee, reviewing  
4 a land use issue with a member of the planning, housing and economic development  
5 committee or testifying for county's interest on capitol hill. Marilyn has taken the lead on  
6 a variety of issues including child care, technology, the environment, private public  
7 partnership and fiscal policy. She sponsored the county's rainy day fund which has  
8 earned high marks from the bond rating agency, co-sponsored the economic  
9 development fund which has help attract quality employers to our county, spearheaded  
10 special protection areas to protect stream valley's including the upper paint branch and  
11 establish the county's technology, innovation fund to modernize government technology.  
12 She also initiated the baby steps program which screens at risk newborn and links  
13 families to county services. Most recently Marilyn Praisner spent numerous hours  
14 negotiating with Verizon representatives to ensure county residents have protection  
15 while enjoying enhanced competition. Over the years, Marilyn has spent numerous  
16 hours negotiating with Verizon representatives to insure that county residence have  
17 customer service protections while enjoying enhanced cable competition. Over the  
18 years Marilyn has garnered numerous accolades and awards for her service on both the  
19 local and national level. Councilmember Praisner was named by Washingtonian  
20 magazine as one of this an area's most powerful women. She was three times included  
21 in the Daily Records, Marilyn's top 100 women and was inducted into a circle of  
22 excellence in 2006. Marilyn balances all of these accomplishments by also focusing  
23 what is truly important in life, as a wife, mother and grandmother. She approaches her  
24 family life with the same dedication she has to public service. I am proud to call Marilyn  
25 a colleague and a friend and I look forward to the year ahead under her leadership.

26  
27 Council President George Leventhal (Outgoing President),  
28 Mr. Andrews?

29  
30 Councilmember Andrews,

31 Take you, Mr. President, I am pleased to second the nomination of Marilyn Praisner for  
32 Council President. I have served with Marilyn for eight years now, we have sat through  
33 many many meetings together. To paraphrase what Catherine Leggett said about Ike  
34 Leggett yesterday, Marilyn Praisner is the right person at the right time. Marilyn's taking  
35 over, will take over as President at a time of transition, that is at least the most amount  
36 of change in the county government since 1990, where the council added, had several  
37 new council members that year and a new county executive. Marilyn brings tremendous  
38 dedication, intelligence and wisdom to the position. and I knows the county government,  
39 better than any of us up here, that always comes through. In addition to her personal  
40 qualities as well described by Valerie Ervin. Marilyn has tremendous experience dealing  
41 with other levels of government, having been a leader in the Maryland Association of  
42 Counties for many years as well as with the National Association of Counties. Marilyn is  
43 certainly one of the telecommunications experts among of elected officials which has  
44 served us very well when dealing with the details of cable policy and



December 5, 2006

1 telecommunications policy. It is a real pleasure to second the nomination. I know that  
2 Marilyn will serve extremely well again as President of the Council and will guide us  
3 through this very important first year where we work closely with our new County  
4 Executive Ike Leggett, to move the county forward in a number of areas.

5  
6 Council President George Leventhal (Outgoing President),

7 I don't see any other lights. Any other comments on the nomination of Marilyn  
8 Praisner? Are there any other nominees for the office of Council President? Seeing  
9 now, none, the vote is to elect Marilyn Praisner President of the Montgomery County  
10 Council. Those in favor will signify by raising their hands. It is unanimous.

11 Congratulations, Marilyn [ applause ]

12  
13 Council President Marilyn Praisner (Incoming President),

14 All of the details. Yeah in a few minutes. Thank you so much, ladies and gentlemen.  
15 and I will have a in my new colleagues and friends, I will have some comments to make  
16 later. But first, it is time to go through the process again this time for the election of a  
17 Vice President of County Council. Are there any nominations for Vice President of the  
18 County Council?

19  
20 Council President George Leventhal (Outgoing President),

21 Madam President?

22  
23 Council President Marilyn Praisner (Incoming President),

24 Mr. Leventhal?

25  
26 Council President George Leventhal (Outgoing President),

27 It's my pleasure to place a nomination in the name of Michael Knapp for Vice President  
28 of the County Council. Mike Knapp is a steady hand. Mike Knapp took office and Roger  
29 you will appreciate this, he was the last one at the picnic four years ago (laughter).  
30 Much of, much of the composition of the last council, we believed had largely been  
31 decided in the primary election but there was an X factor, that was a competitive race in  
32 District Two. Some of us being first at the picnic served ourselves to the largest helpings  
33 and committee assignments had largely been agreed upon when we found out in  
34 November that to the surprise of many, an energetic and hardworking and talented and  
35 attractive candidate had actually knocked off an incumbent in District Two. None of us  
36 really knew what was going to happen there and so Mike joined the Council Member  
37 nominees and Council Members elect and did not end up with the committee  
38 chairmanship in the beginning, but he was given a couple of very complex and not  
39 complex assignments. He was assigned to the Public Safety Committee, he was made  
40 lead member for fire and rescue and he was assigned to the chair our Homeland  
41 Security Committee which is going to fold back into Public Safety on this council. Mike  
42 took those assignments very seriously. and where others had failed, Mike took on the  
43 thankless task of reforming our fire and rescue service where many attempts had been  
44 made in the past to try and get the different branches of our fire and rescue service to



December 5, 2006

1 work together, to consolidate a command structure under a single fire chief. It was  
2 clearly in the public interest. It was enormously difficult. Mike took that on and  
3 encountered tremendous abuse and accusations that he was acting as somebody's  
4 agent. I remember people saying, you know, he is not intelligent enough to take this on  
5 himself. Yet in the midst of all of the firestorm that he encountered

6  
7 Unknown Speaker,  
8 Firestorm!

9  
10 Council President George Leventhal (Outgoing President),  
11 He maintained the most extraordinary decorum and grace under pressure. I was so  
12 impressed at that time. and then with his leadership of the Homeland Security  
13 Committee which involves a set of issues that I have to confess make my eyes glaze  
14 over, Mike has mastered the terminology, he is well-respected in public safety  
15 community, and well-respected at cog and this is enormously important for our councils  
16 leadership, that our council leadership, as I know Marilyn Praisner is so much, must be  
17 respected by our colleagues in other jurisdictions. The issues that face us can only be  
18 addressed on a regional basis. It is so important that when we elect our council  
19 leadership that the leadership we have enjoys good relations, amicable relations and  
20 respect from other jurisdictions, and Mike through his leadership at Cog, and he is rising  
21 rapidly through the leadership ranks at Cog, has definitely done that. I have the utmost  
22 confidence in Mike and it is my honor to nominate him for our Vice President.

23  
24 Council President Marilyn Praisner (Incoming President),  
25 Are there any seconds for the nomination? Roger?

26  
27 Councilmember Berliner,  
28 Madam President. I have served with Mr. Knapp for 17 minutes. (Laughter) And during  
29 that time I have become convinced of his leadership skills. But I am delighted to second  
30 this nomination. I have great confidence in Mike's leadership ability and as George  
31 observed I do think he will be a steady hand and a good hand. We are well served by  
32 his leadership. So I am proud to second the nomination.

33  
34 Council President Marilyn Praisner (Incoming President),  
35 Are there any other nominations for Vice President? They're being none, all in favor of  
36 the election of Mike Knapp as Vice President of the Council please indicate by raising  
37 your hand. Go ahead Mike. It is unanimous. Congratulations. [applause] Bye George,  
38 don't forget to

39  
40 Council President George Leventhal (Outgoing President),  
41 I will send you a postcard.

42  
43 Council President Marilyn Praisner (Incoming President),





December 5, 2006

1 Please do that. I love seeing George Leventhal on my far right. Is it is tradition of the  
2 council before at this point in the process to acknowledge, I would like to very  
3 enthusiastically acknowledge the outstanding leadership of George Leventhal this past  
4 year as Council President. I am going to miss sitting next to him. He is just down the hall  
5 and just over on my far right and I know that we are going to continue to work together  
6 on a myriad of issues. George, you bring a keen intellect, a very sharp capacity to  
7 speak on any number of issues and do so well. You have represented the council in a  
8 variety of challenging issues in an outstanding fashion. You were the right person in an  
9 election year to be Council President. I want to thank you very much on behalf of the  
10 council. Somewhere deep down here, I'm hiding this very special gift which everyone  
11 knows already what it is but, for you with great affection. Thank you so much on behalf  
12 of the council.

13  
14 Council President George Leventhal (Outgoing President),  
15 Thank you.

16  
17 Council President Marilyn Praisner (Incoming President),  
18 [ applause ] to the benefit of my colleagues, it is not a plate.

19  
20 Council President George Leventhal (Outgoing President),  
21 I will open it very quickly.

22  
23 Council President Marilyn Praisner (Incoming President),  
24 Sure that's okay. We didn't wrap it so you could do that.

25  
26 Council President George Leventhal (Outgoing President),  
27 It is the traditional gavel. Recognizes George Leventhal, President of the Montgomery  
28 County Council in 2006. Thanks. [ applause ]

29  
30 Council President Marilyn Praisner (Incoming President),  
31 I have a few comments I would like to make but first of all. I would like to apologize to  
32 everyone for having to listen to this voice. There is no pain associated except with the  
33 listening. Let me say and I apologize, but there was too much talking and the winter cold  
34 arrived a little early. Too much talking yesterday. I want to thank my colleagues first of  
35 all for the honor and the trust they have placed in me. I am very excited about this  
36 council and I look forward to working with each and every one of you and our new  
37 County Executive, my friend, Ike Leggett, county employees and the residence and  
38 employers of Montgomery County, to make the next four years positive and successful  
39 for our County. I think my good friend Mike Subin used the Chinese curse recently, may  
40 you live in interesting times. I have no doubt that that will be an apt description of the  
41 next four years. In fact, I suspect it will be much more than interesting. The term  
42 challenging comes to mind. I can't help recall and already there was reference by Mr.  
43 Andrews to this. I can't recall but I can't help but recall the enthusiasm that surrounded  
44 this very day 16 years ago when the council experienced a C change in membership



December 5, 2006

1 and not on like what we see today. Then it was five new council members and a new  
2 County Executive. Today it is four new council members and a new County Executive.  
3 Then as now, the Executive had previously served on the county council. Then as now,  
4 there were four women members on the county council. I remember the energy and the  
5 eagerness to tackle the challenges we knew the county would face, much of the  
6 campaigning, then as now, revolved around land use and growth. While growth  
7 remained a dominant concern for that council, its twin soon became the worst budget  
8 challenge the county had ever faced. This is not the 1990s. For one, our house is in  
9 better financial order, not only because of the lessons we learned then but because of  
10 the work we have done since then. But that doesn't make the financial challenges that  
11 lie ahead any less daunting or the solutions any easier. Whether accounting for retiree  
12 health-care costs or dealing with federally unfunded mandates or clearing our backlog  
13 of infrastructure and technology projects, there will be much on our plate. That doesn't  
14 even count challenges in affordable housing, public safety, transportation, education,  
15 and the environment. This will be a very busy council. I believe we are up to it. George,  
16 Phil, Roger, Mike, Duchy, Nancy, Mark, and Valerie. I am very excited about working  
17 with all of you. Tapping your outstanding expertise and special skills. Identifying and  
18 working towards your personal goals and priorities. Many of you have heard me speak  
19 about the need for us to reach out beyond our borders, to respond to the challenges we  
20 face. To that end, internal to the county, the council will be meeting in the coming  
21 months with the Board of Education, the Housing Opportunities Commission, the  
22 Montgomery College Board of Trustees, the Planning Board and the Revenue Authority.  
23 The public doesn't understand why different government agencies cannot work  
24 cooperatively and collaboratively. The public writes one check and it is up to us. The  
25 county council to make certain our operations are seamless and not redundant. This  
26 has remained a major challenge which I believe this council must address but we will  
27 stop there. I have already begun the process of strengthening the connections outside  
28 our borders. Connections that I hope will lead to greater conversations and networking  
29 with our peers and colleagues in neighboring jurisdictions on mutual concerns. Having  
30 served as president twice before, I have no illusions about this position. A significant  
31 part of it is ceremonial and procedural, setting the agenda, Managing the meetings,  
32 serving as a spokesperson for the council. However, the first president of a new council  
33 has the additional tasks, helping to bring nine individuals together to move our county  
34 forward. Every council is different. As I said, I am very excited about this council. We  
35 have strong individuals, each with personal visions for the county. But even with our  
36 differences, there is much that brings us together, including a strong work ethic and  
37 passion for service. We will need to work together and support each other.  
38 Responsibility for shaping our collective goals starts with me. But I will need everyone's  
39 help. Today, we come together, a coming together is only the beginning. The challenge  
40 we face is staying together. For that is where success will come. And I know that as we  
41 start the process towards what I hope will be an outstanding four years for this county  
42 council, we are going to need public's help, we are going to need and continue to rely  
43 on the most incredible staff that has ever been put together and that's the fifth floor  
44 staff, the council staff and our own individual council member staffs. The challenge has





December 5, 2006

1 always been met in the past. I know that the challenge will be met in the future. I thank  
2 you all for placing this responsibility in me to begin those first steps. Thank you very  
3 much. [ applause ] before I turn to Mr. Knapp, I want to make an announcement. I have  
4 consulted with my colleagues, and distributed to them, and will announce at this point  
5 the committee assignments for the 16th County Council. Education committee, Chair  
6 Mike Knapp, Phil Andrews and Valerie Ervin, Health and Human Services Committee  
7 Chair, George Leventhal and Duchy Trachtenberg and Roger Berliner will assume the  
8 responsibility of lead members for Libraries and Cultural Affairs. Management and fiscal  
9 policy, Chair, Duchy Trachtenberg, and Marilyn Praisner and Roger Berliner. Planning,  
10 housing and economic development, I will serve as chair with my good friend Nancy  
11 Floreen and our new colleagues, Marc Elrich. Public safety and as it has been  
12 announced the Homeland Security functions will be consolidated for the most part within  
13 public safety. Chair, Phil Andrews, Mike Knapp and Marc Elrich who will serve as lead  
14 member for Juvenile issues across whatever area they may arise. Transportation and  
15 the environment, Chair, Nancy Floreen, George Leventhal and Valerie Ervin who will  
16 serve as lead member for the environment. I want to thank my colleagues for their  
17 interest and enthusiasm, especially for several committees. We worked hard in putting  
18 this together. Your cooperation and your commitment to working this through is very  
19 much appreciated. I thank you very much. Mike Knapp, would you like to make some  
20 comments?

21 Councilmember Knapp,

22 I will make some very brief remarks, Thank you. Thank you Madam President. Today is  
23 a day to thank and appreciate our outgoing President, Mr. Leventhal, for his year of  
24 service. During his time, he has always been very up front on a number of issues, and  
25 this year he took on the issue of the environment and had our green building legislation  
26 passed, and I think that it is a landmark piece of legislation for the preceding council. I  
27 would like to thank him for his efforts in doing that and his leadership in general. Thank  
28 you for your nomination and remarks. and I thank Roger for your remarks, And thank  
29 my colleagues for the trust you have placed in me. I look forward to working with each  
30 of you and working with Marilyn Praisner to make sure that we actually get off to the  
31 right start. I was struck yesterday by one all of the hugs we gave each other on stage.  
32 People were a little surprised at that and hopeful that perhaps we could continue to do  
33 that. I am not sure that effusiveness necessarily stays with us over the coming weeks,  
34 but we'll hope. More importantly I was struck by a comment that our new County  
35 Executive made in reference to a remark that Barbara Jordan had made at one point in  
36 the past. in that we have all taken different ships to get here but we are all in the same  
37 boat now. That was a very telling statement because it is very true. We have run  
38 different campaigns, we've with stood the elections and very different perspectives but  
39 we are all here. And out County residents expect us to work together for the betterment  
40 of our community. I know that everyone up here is dedicated to working to get that  
41 done. It is my job and working with each of you to bring us to consensus, to work with  
42 everyone across the street and to really come together for the betterment of our  
43 residents in the county. We have done the campaigns, we have done the elections,



December 5, 2006

1 we've done the pop and circumstance, and now I think people want us to get to work. I  
2 will be very brief and thank you very much and I look forward to working with each of  
3 you in the coming year..

4  
5 Council President Marilyn Praisner (Incoming President),  
6 Thank you. Any there any other comments anyone would like to make before we move  
7 to the Consent Calendar? If not, the next item of business is the consent calendar. Do I  
8 have a motion?

9  
10 Councilmember Floreen  
11 Move approval.

12  
13 Council President Marilyn Praisner (Incoming President),  
14 Ms. Floreen. Is there a second?

15  
16 Councilmember Trachtenberg,  
17 Second.

18  
19 Council President Marilyn Praisner (Incoming President),  
20 Mr. Trachtenberg. The consent calendar is before us. Are there any items that anyone  
21 would like to make a comment on? Mr. Knapp?

22  
23 Councilmember Knapp,  
24 Thank you Madam President. Just one comment. I apologize it took so long time to get  
25 this out to everyone. On item C, we have a resolution to support the Purple Line  
26 Corridor Cities Transitway and it's identified as HR3496 which is legislation as  
27 introduced by Congressman Tom Davis to identify dedicated funding sources for Metro.  
28 Each of these pieces the council has approved in resolutions in the past, but I thought  
29 given the focus in transit that has been laid on all of our campaigns, more importantly  
30 the regional focus on transportation funding especially around the area of Metro and  
31 WMATA, it was important for this council to get on record early on to make sure that  
32 people understand that commitment is still there especially as it relates to regional  
33 funding for transportation activities. It is unlikely that anything will make it out of this  
34 converse as it relates to funding for Metro but I was on conference call this morning and  
35 met a lot of regional discussions as it relates to what are the next steps. We are in an  
36 interesting situation where each jurisdiction is waiting for everyone else to take the next  
37 step forward. Congress is in the same role. If we could adopt this next week, and that I  
38 am hopeful that we will, then I think it least gets on record as our colleagues in Prince  
39 George's county last month to make sure to make sure that there are no stumbling  
40 blocks as it relates to moving, moving transportation funding forward and that debate  
41 moving forward. So I apologize not getting to my colleagues earlier, I would welcome  
42 everyone's close sponsorship. but I would like to thank my colleague, Ms. Floreen for  
43 her initial co-sponsorship I want to put that out for folks for some background and again  
44 apologize for not getting it to people more quickly.



December 5, 2006

Council President Marilyn Praisner (Incoming President),  
Ms. Floreen?

Councilmember Floreen

Thank you Madam President. I wanted to second Councilmember Knapp's remarks.  
This comment that he and I testified in front of the general assembly -- when was that?  
Last Thursday was it?

Councilmember Knapp,  
Wednesday?

Councilmember Floreen

Wednesday. On the need for additional transit funding throughout the state of Maryland.  
The point I made at least was to emphasize the fact that transit within Montgomery  
County is serving at least residents of six other counties in Maryland. and I think that the  
regional element of transit funding crisis that we face cannot be underestimated or  
understated. I just wanted to make that point to my colleagues as we move forward into  
for adopting this resolution and further negotiating with the our colleagues across the  
state of Maryland to get their support for really statewide transit needs. Thank you.

Council President Marilyn Praisner (Incoming President),  
Thank you. George your mike's on did you want?

Council President George Leventhal (Outgoing President),  
Yeah I did, I wanted to be added to the co-sponsor of the resolution on the Purple Line  
and the Corridor Cities Transitway and the Metro Funding.

Council President Marilyn Praisner (Incoming President),  
Okay. Thank you. There being no other speakers for the consent calendar, all in favor,  
please indicate by raising your hand. It is unanimous. Thank you so much. Next item in  
the agenda is an introduction of a resolution directing the planning board to study the  
growth policy issues which I am sponsoring As my colleagues know from our  
conversations with Royce Hanson and with others, this request, this resolution which we  
will vote on next week, is an expedited schedule for developing the annual growth policy  
recommendations, which would normally come to this council in November as I recall  
for action. What this resolution does is lay out the work plan for the planning board. Not  
inconsistent with items that the planning board members and planning board staff are  
aware that the council would like their thoughts and inputs on. Number one,  
recommendation on a set of tools to manage growth and fund infrastructure including  
proposals to direct future growth and manage the pace of that growth. Identifying and  
prioritizing the infrastructure needed to support existing and future residents and  
businesses and visitors and recommendations to strengthen the relationship between  
the pace of growth and the provision of public facilities services and infrastructure.



December 5, 2006

1 There is also a request that this plan comment or these recommendations comment or  
2 review the issue of our affordable housing goals and the extent to which the growth  
3 management policies can be coordinated with those goals. In specificity given the  
4 components of the annual growth policy, this resolution asks the planning board to  
5 analyze and bring recommendations regarding the test for public school facilities and  
6 and the alternatives that they might recommend. The current local area transportation  
7 review test and any alternatives they may recommend including those that were  
8 considered during 2005 for the review then of the growth policy, but were not enacted  
9 by the council. The issue of whether or not a policy area transportation review should be  
10 reinstated in the annual growth policy. How we now and if we should make a change in  
11 the treatment of traffic which originates outside the county and / or is destined from the  
12 county outside the county, treatment of traffic generated by federal installations, and  
13 any other adequate public facilities related issues the board finds relevant. We've also  
14 asked them to look or this resolution asks them to look at the pipeline of development  
15 that is already approved within this county. There is a significant amount of already  
16 approved pipeline. Mr. Zyontz might want to comment on that later. The board is asked  
17 to analyze and propose any needed changes in laws and regulations that govern the  
18 time limits for validity of a finding of adequate public facilities and any other  
19 recommendations the planning board may have on better ways to measure the success  
20 and evaluate the outcomes of the county's growth and development policies. We have  
21 also asked the planning board to offer any comments and analysis they have our impact  
22 tax laws and any improvements they might recommend including evaluating the full out  
23 impacts of growth and possible expansions of impact taxes to fund public benefits in  
24 addition to transportation and schools. They should also include sufficient data and  
25 analysis to allow the council to act on each major proposal. The goal is to have us act  
26 on these proposals before we go on summer recess. I believe that is the first week in  
27 August. Also, any recommendations that they may have that go beyond what we have  
28 listed. In addition, given the change in time schedule that we're talking about, the  
29 planning board, as is true in our current policy where we identify future study issues, in  
30 most cases, those are identified by the council, not by the planning board, but they may  
31 be identified by the planning board. Given the myriad of things that we lay out in this  
32 resolution, there may be prioritization by the planning board and they may decide to  
33 either postpone one of the elements or add additional elements which would be future  
34 work for them beyond our action in August. In addition, what I've asked in this resolution  
35 is that the planning board submit interim summary reports on its progress to the council  
36 off on or before February 15th, and April 15, 2007. There is a companion document  
37 which I will discuss when we get to it on the agenda which is a subdivision regulation.  
38 The two are obviously companion pieces to each other, but the resolution, which I  
39 believe speaks to comments almost every, if not every council member has made in  
40 one form or another, whether it was on the campaign trail or in side conversations with  
41 me individually or in groups, as expressed, some comments or concerned about the  
42 status of our annual growth policy, whether it was the inability of the council to make  
43 modifications in 2005 or major changes which folks might want to advocate. This takes  
44 no action other than to charge the planning board to go to work, which is what they are



December 5, 2006

1 already prepared to do. As I indicated, the resolution will be voted on next week. I would  
2 invite my colleagues to either co-sponsor but I hope to support the resolution next week.  
3 Mr. Andrews.

4  
5 Councilmember Andrews,

6 Thank you Madam President. I would like to be added as a co-sponsor of the resolution.  
7 I believe there is an urgent need for the planning board to come back to the council as  
8 soon as feasible with recommended changes to the annual growth policy. I think It is  
9 hard to argue that the county is not growing at a pace that is beyond our infrastructure  
10 and I would argue that we are growing at an unsustainable pace as well given that we're  
11 adding a population the size of Rockville or Gaithersburg every four years. Certainly that  
12 is a challenging pace to keep up with and I think we need to coordinate our growth  
13 policies more closely with the major municipalities such as Rockville and Gaithersburg,  
14 And also have a planning and zoning authority to ensure that we are working together  
15 and in a consistent and effective way. I am looking forward to seeing the results of the  
16 planning board review of this. We need stronger growth control measures to ensure that  
17 whatever growth occurs does not make our transportation problems significantly worse  
18 and that we have a policy of growth that is truly sustainable and in line with our other  
19 goals. Thank you for introducing this measure, Madam President.

20  
21 Council President Marilyn Praisner (Outgoing President),  
22 Mr. Elrich

23 Councilmember Elrich

24 I would also like to be added as a co-sponsor of this legislation. It is critically important  
25 that I would echo all of the comments that Phil made and probably add to that I think it is  
26 essential for to be in order for us to be fiscally responsible to bring in lines the match  
27 between the growth rate and the infrastructure. Sooner or later the things we haven't  
28 built will have to be paid for. If we don't find a way to pay for them in conjunction with the  
29 growth policy they will come out of taxpayer's property tax bills for a long time to come.  
30 We need a more balanced approach to this, and I think we need to do this now, not later  
31 and I am glad to see that this is This is being accelerated rather than waiting until fall.  
32 So I am pleased to be a co-sponsor and look forward to working with you.

33  
34 Council President Marilyn Praisner (Incoming President),  
35 Mr. Berliner?

36  
37 Councilmember Berliner,

38 Madam President, I too would like to be added as a co-sponsor. I thank you for your  
39 leadership on this issue.

40  
41 Council President Marilyn Praisner (Incoming President)  
42 Thank you. Ms. Ervin?

43  
44 Councilmember Valerie Ervin,





December 5, 2006

1 I really have a lot of questions first of all about the resolution. One of them starts with  
2 what happened in 2005, October, with the last council and why did the last council not  
3 accelerate the process for doing exactly what we are being asked to do today, that is  
4 the first question. I have real concerns about the whole question of growth and how  
5 people perceive the council being able to stop growth or slow growth when in fact, it is  
6 my opinion that growth is sort of comes from where the market is. I have a lot of  
7 questions. We are being asked to make a very serious and important decision in a  
8 week. We just sat down today and I think that this is going to be one of the most  
9 important resolutions that this council will vote for. Or vote against. I have many many  
10 questions that I would like answered throughout this next week in terms of the process,  
11 the timeline, how much it is going to cost, what does the planning boards work plan look  
12 like right now, how much, how much work will we push back in order for this to be  
13 accomplished? I understand Madam President, where you are going with the resolution  
14 and I would really like to have some of these questions answered before I sign on as a  
15 co-sponsor. Thank you.

16  
17 Council President Marilyn Praisner (Incoming President),  
18 Thank you very much. I believe Mr. Hanson will be here next week and he can indicate  
19 and respond and if you have other questions between now, and next week, we will be  
20 happy to get the answers for you. Mr. Moritz is here and I know that the planning board  
21 staff is already working on these issues as they would have to be for the timetable, the  
22 planning board's work requires them to have done started this work for their regular  
23 schedule. Karl, if you could take that back from Mr. Hanson, thank you very much. Ms.  
24 Trachtenberg.

25  
26 Councilmember Trachtenberg,  
27 Madam President, I would ask actually that you also add my name as a sponsor. I am  
28 going to keep my remarks on the brief side, but in the last 45 minutes, I have become  
29 particularly aware of fiscal responsibilities here on the county council. Obviously  
30 infrastructure is so closely related, not only to our fiscal objectives but also to our  
31 decision making. I very much believe that having the availability of information on our  
32 growth patterns and what we can sustain and not sustain is critical to making those  
33 good decisions. I thank you for bringing this forward and ask that you add my name as a  
34 co-sponsor.

35  
36 Council President Marilyn Praisner (Incoming President),  
37 Mr. Knapp.

38  
39 Councilmember Knapp,  
40 Thank you Madam President. A couple of questions and I will try to put this together so  
41 that we can ideally roll this into next week. One of and a number of my our colleagues  
42 have raised this as the notion of investment and infrastructure. One of the things that  
43 has become more clear to me especially as we have had discussions as it relates to  
44 Clarksburg is the timing of different elements. The perception of what people think





December 5, 2006

1 should and shouldn't happen at different points time and something like the Corridor  
2 CitiesTransitway is a great example where there is a community that's being developed  
3 as a transit oriented development predicated upon the notion that there is a transit wave  
4 that is going to serve this community. The community is being constructed as we speak.  
5 The transit way, all things being equal, and if everything is really lucky, at least  
6 extending to Clarksburg right now is scheduled for 20 years from now. So there is a  
7 pretty big gap between the investment of that infrastructure and the actual development  
8 of that community. One thing I would like to get a sense of from the from the planning  
9 board, is what should have been funded and what were the assumptions that go into  
10 different developments to make sure we have some clear idea of what should our  
11 investment infrastructure have been so we understand the hole that we are trying to dig  
12 ourselves of so we have some idea of what it is we are going to fund going forward,  
13 because it is too easy sometimes to say well we should stop everything until we pay to  
14 catch up but the reality is that's a big hole. We need to understand what it is that we're  
15 addressing so if we I would like to have some language we can roll into this at some  
16 point. The other is just comment on policy or review. Four years ago we had a debate  
17 here in my first year and I was struck by the fact that none of us none of the nine council  
18 members at that point in time saw any of the proposals that come forward on policy or  
19 review as particularly palatable. all from different perspectives but none of the  
20 alternatives were very good. As we address policy or review here, I would also like to  
21 make sure that the planning board really comes forward with some certainly one  
22 proposal that they think is solid but a couple alternatives we can have a real discussion  
23 about That is where we got into a bind in the debate is we all recognized that we didn't  
24 like the current policy but there were no great alternatives to put in front of us to take the  
25 next step. and I think that's where we have been hung, hanging out for the last three  
26 years and so to come up with a couple of alternatives we can really look at.

27  
28 Council President Marilyn Praisner (Incoming President),  
29 I thank you very much for those comments, I think they are very consistent with that  
30 actual words in the resolutions of spirit of the resolution. My recollection of the planning  
31 board's original proposal was a percentage growth at targeted areas. When it became  
32 clear and that's four years ago not two years ago, when it became clear that the council  
33 and I don't think there was any council member who was enthusiastic about that  
34 proposal. Unfortunately I guess from my perspective, we did ask what other alternatives  
35 the planning board was working on but they had not developed them adequately and  
36 the council, unfortunately again in my view, that's my personal judgment, decided to go  
37 with something drafted here at the council level by our staff. The question of asking the  
38 planning board, if you do x or y, what happens or what other alternatives are you  
39 looking at or what options may there be, I happen to believe it is always useful for staff  
40 to be encouraged to bring options to the council rather than to guess too far down the  
41 road when individual council members are negative about that growth. I am hoping that  
42 Karl is taking notes feverishly that we will have the benefit of those perspectives as well.  
43 Ms. Floreen.



December 5, 2006

1 Councilmember Floreen

2 Thank you. I have every confidence in Chairman Hanson's ability to shepherd such a  
3 product through. However, what is being proposed for the planning board is as pretty  
4 much a as far as I can tell is soup to nuts, a review of the annual growth policy, I always  
5 enjoy that debate. It is something I have been involved in for 20 years and I look forward  
6 to having the conversation again. I do ask though that next week we have from the  
7 planning board their program for involvement of the community and stakeholders in this  
8 effort because it is a very significant challenge. To my recollection, I wasn't here when  
9 the council asked for that kind of review previously. It was a multi-year effort. What we  
10 are proposing here, I gather, is something that we will receive in May with a range of  
11 policies and proposed possibly legislation that this council would be in position to  
12 review. I have had further conversations about and intact before August, that is a  
13 significant challenge for this council and for the public and I would like to understand  
14 from the planning board, how they will make this happen. My other comment, there was  
15 a lot of talk during the last election and I fully appreciate and anticipated that we would  
16 have this conversation today. We did ask Karl for what the actual facts are, and I just  
17 wanted to note that based what Karl told us yesterday is that at least based on the first  
18 three quarters of 2006, housing completions are running less than those in 2005, so  
19 housing growth appears to be under the rate of 1% increase for 2006. He tells me that  
20 over the housing side over the decade, we have varied between 1%, and 1.6% growth  
21 annually. Job growth in 2000 was relatively rapid. 2.6%. but during the next three years  
22 job growth was modest, averaging less than 1/2%. So I think those facts are relevant to  
23 this council's conversations, to it's concerns to the public's appreciation of what the  
24 gross debate is all about. I do indeed look forward to our for the conversations.

25  
26 Council President Marilyn Praisner (Incoming President),  
27 Mr. Leventhal.

28  
29 Council President George Leventhal (Outgoing President),  
30 Well thank you, Madam President, I look forward with enthusiasm to your leadership  
31 over the next year and I think this resolution represent the thoroughness with which your  
32 approach issues of concerns to all of us. You work harder than any of us. And I work  
33 very hard. When I leave late at night, my motorcycle and your car are often the only two  
34 vehicles in the lot and yours is still there as I am roaring away so I know how hard you  
35 work and I know how seriously you take this. I appreciate Councilmembers Ervin's  
36 comments as to what the planning board not be doing when it spends the next several  
37 months doing a top to bottom review of the annual growth policy. I will be interested in  
38 hearing that from the planning board because We have put a lot of urgent priorities on  
39 their docket and I'm just gonna want to monitor what is being delayed as we take on  
40 what may be perceived as a growth emergency. I don't actually perceive it that way. I  
41 will likely vote for this resolution but I will decline to co-sponsor it this morning. I don't  
42 object to reviewing our annual growth policy. I support the concept of an adequate  
43 facilities ordinance, however, well let me just say that when we have in this resolution  
44 that between 2005, and 2030, the county is forecast to add 170,000 jobs almost 95,000



December 5, 2006

1 households and 213,000 people, those forecast are speculative by definition. We don't  
2 know how many people are coming here to the county in the next 14 years, Twenty-four  
3 years. What I do strongly suspect is that the number of people who will seek to move to  
4 this region in the next 24 years is enormous. One of the issues I hope the planning  
5 board will also look at is that if we sharply limit construction of new residential units in  
6 Montgomery County, what is the likely outcome for construction of residential units in  
7 Howard County, Carroll County, Jefferson County, West Virginia, Loudon County,  
8 Prince William County, etc. Mark Elrich and I agree on many things, we disagree on  
9 some, one of the things we agree on is that it would desirable to concentrate growth in  
10 the Washington region in the center of the Washington region. Unfortunately that isn't in  
11 power as the Montgomery County Council. We can't push the new housing units into the  
12 core of the District of Columbia, we can't push them to Suitland or Oxen Hill or to areas  
13 that we may think are under developed inside the beltway that could handle the  
14 development. The reality has been that residential growth follows where people want to  
15 buy homes. and thus far new home buyers have not been persuaded that you know  
16 Southern inside the beltway Prince George's county for example, which probably could  
17 handle more residential growth inside the beltway, is the most desirable place to live.  
18 Where the market has tended to go has been in other areas. and so these are all  
19 factors that I hope the planning board will look at. I have a concern that if we in effect  
20 build a wall around Montgomery County and say we can only handle so many residents  
21 and no more, we will still have traffic because the new units will still be built, they will  
22 just be built further away from D.C. and folks will still drive on 270, they will still drive on  
23 29 to get to work in DC, Those are issues I hope the planning board will look at as well.  
24 Another factor I think we gotta look at is very obvious. My wife's academic training is in  
25 early childhood education it's not in economics and it's not in politics but when I discuss  
26 with my wife, she said "well what's on the agenda this morning?" " I'll say we're going to  
27 talk about limiting the growth of new residential units, she the first question on her mind  
28 well won't that drive up the price of existing housing units? Can't we get some thinking  
29 from the planning board on those questions as well? So I have no objection whatsoever  
30 to your resolution Madam President, I think it is thoughtfully drafted. I think the issues  
31 are very complex and to quote our departed colleagues Tom Perez, we want to be  
32 careful of unanticipated, unintended consequences.

33  
34 Council President Marilyn Praisner (Incoming President),  
35 Mr. Knapp you wanted to comment again?

36  
37 Councilmember Knapp,  
38 Just briefly, Karl if you haven't seen this yet regional mobility and accessibility studies  
39 that has just published by council of governments and the transportation planning  
40 board, which looks at a variety of scenarios, looking at exactly the issues that Mr.  
41 Leventhal had raised which is how do we grow as a region in a way that recognizes the  
42 kind of development that is sustainable and can really impact the entire (unable to edit  
43 word) we should work together and to the extent and maybe putting come language in



December 5, 2006

1 but to look at this also as a, as a background for what we may look for on the AGP to  
2 see if there are some things we can glean from those reports.

3  
4 Council President Marilyn Praisner (Incoming President),  
5 Additional comment Ms. Floreen.

6  
7 Councilmember Floreen

8 Thank you Madam President. I just want to follow up on Mr. Knapp's comment because  
9 I did ask that the council get a briefing on that issue by the council governments  
10 because I think it would help in the inform the conversation, I am hopeful that that will be  
11 scheduled for the full council to appreciate the range, especially the new members,  
12 appreciate the information that we who have been sitting on the board of Cog have  
13 been exposed to. Thanks

14  
15 Council President Marilyn Praisner (Incoming President),  
16 If I might comment before I turn to my other colleagues for their comments on this  
17 resolution, the council of governments board has been looking at this issue. The  
18 planning committee of the council of governments on which I set has been looking at  
19 forecasts and activity centers and the issue of managing growth. The only exception I  
20 would make to the conversation so far is is that this challenge as I see it, is one of  
21 management not of limit. This is a process that governments have been about for some  
22 time, including as I said, council of governments through its planning committee, looking  
23 at the activity centers of where transportation exists or is planned and where  
24 development occurs, both jobs and housing and how it centers may or may not  
25 adequately accommodate or may need to accommodate additional development either  
26 in the jobs or the housing area, to both maximize the investment in infrastructure, both  
27 already passed existing infrastructure and that that might be planned. And to look at the  
28 area in a regional basis. Planning board staff members and planning board members  
29 have been involved in this issue as well. We can certainly both make materials available  
30 to all of the council, but also ask the planning board to comment on that at some point.  
31 Ms. Trachtenberg.

32  
33 Councilmember Trachtenberg,

34 I actually was going to make some comments about management of growth because in  
35 my mind that very much is part of what we need to address. This is one of the big  
36 reasons why I do support the proposed resolution. For someone coming in here who is  
37 new and did spend a year on the campaign trail, I think a big picture mentality is what I  
38 need to do my job but I also see that benefits all of us. Clearly, I want to learn more and  
39 work more on both needs and objectives, but is also clear to me that process is part of  
40 what we really need to define as well. We need to improve its for those folks over at the  
41 planning board who are working with all of us. I think that is a good reason to get as  
42 much information on the table over the course of the next few weeks and months.

43  
44 Council President Marilyn Praisner (Incoming President),



December 5, 2006

1 Last comment for this resolution, Mr. Andrews.

2  
3 Councilmember Andrews,

4 I will keep it brief. I think It is important to have a balance when you have growth. I think  
5 It is going to be important for this council to review a decision that was made by the one  
6 which created an imbalance that adopted a policy of explicitly adding more jobs than  
7 housing, which has the affect of pushing housing prices up and making congestion  
8 worse because most people than won't be able to, fewer people will take those jobs to  
9 be able to live in the county and commute from other places making rush-hour traffic  
10 worse. So I think that part of this is to also get the balance right between jobs and  
11 housing. and I think that is something the planning board should come back to us with  
12 as well. The county for a long time had a policy of having a balance jobs and housing  
13 and it was pretty close. It's possible and it should be possible ideally for people who live  
14 in the county, to also work in the county about 60% do. It is in our interest to keep  
15 pushing that number up because that will reduce the amount of long-distance  
16 commuting that our own residences do. So I think that needs to be part of the  
17 discussion and I think we need to revisit that decision that was made by the council at  
18 the urging of the County Executive back in the former county executive back in 2004.

19  
20 Council President Marilyn Praisner (Incoming President),

21 The resolution is introduced. (laughter) We are now, in District Council session That  
22 was fine. We are actually we are still ahead of schedule folks so you are doing great.  
23 The next item I'm-- I'm, because of my voice, going to ask the three musketeers in front  
24 of me to comment or to make some introductory comments about. I want to make a  
25 couple of very brief points first. I am introducing today a subdivision regulation,  
26 amendment 0603 which deals with preliminary subdivision plans and approvals and it  
27 has applicability obviously to the annual growth policy amendment, amendments to the  
28 growth policy. This is not for action next week. This is for consideration of the council  
29 during and in the new year. The resolution is being introduced, a public hearing. I need  
30 a motion and will have a motion, and action to establish a public hearing which is the  
31 16th of January at 7:30 p.m. The components of the resolution, I will ask Mr. Faden, Mr.  
32 Zyontz and Mr. Orlin to make comments about. I want to make clear that the SRA  
33 requires a public hearing, requires community input and general public input and we will  
34 have that. The process for consideration is for committee and council consideration in  
35 January. And hopefully action in January. The SRA is also relates to the significant work  
36 which we will receive from our age reserve task force and will allow us to consider those  
37 recommendations also in the context of future development permit applications, a  
38 preliminary plan applications I should say, I apologize. I would urge any of my  
39 colleagues who are interested in variations on this issue to consult with Mr. Faden, Mr.  
40 Orlin and Mr. Zyontz, again our three musketeers, in order to introduce any  
41 modifications or alternative approaches which you may be interested in next week. My  
42 interest in doing so is to make sure that we adequately accommodate the legal  
43 requirements for public notice, but also, so that we might be able to have the public  
44 hearing on any other proposals simultaneously with this public hearing on the 16th of





December 5, 2006

1 January. I will now, turn it over to Mr. Fadden to do more explanation so you don't have  
2 to listen to this voice. Mike?

3  
4 Mike Faden,

5 Thank you Madam President. We apologize for not having a staff memo explaining it.  
6 but this was only finalized late yesterday. This is a subdivision amendment affects only  
7 preliminary plans for subdivision. Temporary provision as Ms. Praisner put it, puts a  
8 hold on planning board approval with some exceptions of any preliminary plan of  
9 subdivision from whenever it passes through August 15th as it is currently drafted. The  
10 exceptions are that the planning board can approve subdivision plans that are located  
11 for subdivision that's located entirely in the Metro Station policy area or an enterprise  
12 zone, the only enterprise zone that is not already a Metro Station policy area is  
13 Longbranch. Also the planning board could approve a subdivision that would add five or  
14 fewer peak hour trips as defined in the growth policy and is not located in technically  
15 speaking in the Poolsville or Goshen policy area is what we think of as the rural zone. In  
16 other words the five or fewer trips has been the standard for diminimus projects in the  
17 growth policy, historically. Also, the board could amend previously approved primarily  
18 subdivision plan, if the amendment would not add more than five peak hour trips to the  
19 number previously approved and the subdivision is not included in the same rural areas.  
20 In other words, if the planning board has previously approved the subdivision no matter  
21 how large, it could amend that plan and this has particular relevance to Clarksburg, as  
22 long as they are not adding more than five more trips to that subdivision. Finally there's  
23 a provision subsection D which would provide and this is more of a warning provision  
24 than anything else, that a subdivision for which an application for a preliminary plan is  
25 filed on or after today would be subject to essentially any changes in the growth policy  
26 adequate or other adequate public facilities requirements adopted before the planning  
27 board approves that plan, in other words, it is essentially a non grandfathering provision  
28 for subdivisions for which an application is filed starting today.

29  
30 Council President Marilyn Praisner (Incoming President),  
31 Mr. Andrews?

32  
33 Councilmember Andrews,  
34 I would like to be added as co-sponsor.

35  
36 Council President Marilyn Praisner (Incoming President),  
37 Mr. Elrich?

38  
39 Councilmember Elrich  
40 I would also like to be added as co-sponsor.

41  
42 Council President Marilyn Praisner (Incoming President),  
43 Ms. Floreen?





December 5, 2006

1 Councilmember Floreen

2 Yes, just want to make the observation that we asked Mr. Moritz what-what the  
3 implications of-of such an effort would be, and I just wanted to comment at this point,  
4 outside the Metro policy station the Metro Station Policy areas, this would affect 82  
5 projects, about five or six churches and elderly housing projects and I have no idea  
6 what it would mean for our affordable housing initiatives. It would also put the kibosh on  
7 what ever Montgomery mall is considering at this time. I just wanted to make the  
8 observation that this is a very significant proposal and I would urge that certainly the  
9 faith community be engaged in this and the advocates for affordable housing so that  
10 they are at the table as we take this up in further conversations.

11  
12 Council President Marilyn Praisner (Incoming President),  
13 Mr. Berliner?

14  
15 Councilmember Berliner,  
16 Madame President or Mr. Faden, if you could walk us through this process again I  
17 would appreciate it as I understand it in this moment. We are not asked to make any  
18 decision now. You are going to have a public hearing process in which we will then  
19 hopefully collectively come to a better understanding of the ramifications of this and  
20 there will be an opportunity presumably in February for us to consider this matter  
21 further. Is that fair characterization?

22  
23 Mike Faden,  
24 Essentially correct. This as a subdivision amendment it has a required 30 days notice  
25 before the public hearing, that cannot, that's part of state law can't be waived or  
26 shortened. The public hearing, you have a resolution which was distributed this morning  
27 to accept the public hearing date, this is a normal process, set the public hearing date  
28 as January 16, the first day back after the holiday break. Public hearing, the staff  
29 suggested we schedule for 7:30 at night to allow large number of speakers. After the  
30 public hearing, this SRA would normally go to the PHED Committee which would have  
31 as many work sessions as they need to consider it and bring a recommendation to the  
32 full council, would have to pass the full council, by a vote of five members and then  
33 goes to the county executive for a signature or disapproval.

34  
35 Council President Marilyn Praisner (Incoming President),  
36 Can you, Mr. Faden does that answer your question?

37  
38 Councilmember Berliner  
39 I just have one brief follow up.

40  
41 Council President Marilyn Praisner (Incoming President),  
42 Sure go ahead, I'm sorry.

43  
44 Councilmember Berliner



December 5, 2006

1 Ms. Floreen identified something on the order of 82 projects that would be subject to  
2 this moratorium, obviously there is a list of projects available. Can you make last list of  
3 projects available to us if it has not already been so? .  
4

5 Mike Faden,  
6 We will.  
7

8 Council President Marilyn Praisner (Incoming President),  
9 Thank you. Okay. Mr. Elrich  
10

11 Councilmember Elrich,  
12 I-I would just like to point out that we have a ton of projects in the pipeline, so it's not like  
13 development and work in the county's going to come to a screeching halt, so I don't  
14 think we are putting the freeze on anything. Secondly it would be wrong to keep  
15 mischaracterized this as a moratorium, this is simply a temporary pause until we get the  
16 AGP, put back what we is most like in better shape. The projects that are effected may  
17 have no effect what effect the changes in the AGP will have on them will be determined  
18 on the outcome of the AGP process but offer anything that we're doing today. I  
19 appreciate the concern about affordable housing, but frankly we build so little and the  
20 need is so great and the loss is so great, that a delay of six months or eight months  
21 whatever this takes is not exactly change whether the county achieves anything  
22 significant in the world of affordable housing. I mean the gap out there was 17,000  
23 people on an HOC waiting list. Rent is rising at the rate of 10 to 30 percent a year for  
24 many complexes. Cognitive conversions which fortunately have slowed down but have  
25 taken away a large number of affordable housing. The county's affordable housing  
26 program is so minimal that to think this was going to have a significant impact on  
27 whether we house people who need housing or not is just wrong. We are not there and  
28 we shouldn't confuse our policies with something that are there. I think this is--this is a  
29 sensible thing to do and I think it is critical to get the growth policy in shape. Some of  
30 these projects of the 82 may not be affected at all by what comes out of this and that  
31 remains to be seen.  
32

33 Council President Marilyn Praisner (Incoming President),  
34 There will be information provided. I think Mr. Orlin has some information on and  
35 actually how many approvals are outstanding and could go forward, how much  
36 development is in the pipeline. I don't know that they have broken out by the areas of  
37 Metro Station and activity that will continue. I would just also remind my colleagues that  
38 prior to every action that we have taken with an effective date, there has been a rush of  
39 applications for permits that has postponed the effectiveness of any the actions we have  
40 taken. I don't know how many applications the planning board has received since the  
41 work force housing legislation was put in place and its effective date. Karl, while you are  
42 preparing information, I think it would be helpful for us to know what land use actions  
43 with effective dates that are forward what the rush of applications look like and how



December 5, 2006

1 much development is there for coming in under the old rules rather than the new ones?  
2 Glen, did you want to make those comments before I call on the last two colleagues.

3  
4 Glenn Orlin,  
5 Sure. I'm Porthos you remember was the fat Musketeer. (laughing)

6  
7 Council President Marilyn Praisner (Incoming President),  
8 I told them they could name themselves, I wasn't going to do that.

9  
10 Glenn Orlin,  
11 The other thing the new council members here will understand, that everything on the  
12 growth policy starts with Karl. He is the guru of the growth policy, Karl Moritz and has  
13 been for years. Currently in the pipeline, as it gets to Mr. Elrich point. (laughing) Sorry  
14 after today I will be right.

15  
16 Councilmember Elrich,  
17 I got my name back after the election.

18  
19 Glenn Orlin,  
20 Yeah, I think it's mine now. It's always been yours. Mr. Elrich's point of this currently as  
21 of the end of November, is about 23,700 housing units in the pipeline. This by pipeline  
22 these are approved subdivisions that would not be subject to Ms. Praisner's proposal.  
23 There is also about 25 million square feet of nonresidential development. The amount of  
24 development which is in application form at the planning board now, is about 7,000  
25 residential units and about 5 million square feet. So altogether the two, the pipeline plus  
26 what the applications are, there is about 31,000 residential units, and about 30 million  
27 square feet of non- residential development. So about something like 4/5 or 5/6 of the  
28 development that is coming is already approved subdivisions. Of the development that  
29 is in application form right now, Ms. Praisner's proposal would essentially postpone  
30 action on about 3/4 of the residential units, and 72%, 73% of the commercial space. So  
31 there are really two ways of looking at it. Of the applications that are on the table. This  
32 would stop most of it until the council makes a decision on the growth policy and  
33 subdivision rules. On the other hand if you're looking at what is totally coming, about 1/6  
34 is being held back.

35  
36 Council President Marilyn Praisner (Incoming President),  
37 And obviously this does not apply in Gaithersburg or Rockville

38  
39 Councilmember Orlin,  
40 If you include Gaithersburg and Rockville, if you take the pipeline of the county and the  
41 approved pipeline in the City of Gaithersburg and Rockville and the applications, this  
42 proposal will only stop about 14% of the housing, about 9% of the jobs.

43  
44 Councilmember Elrich,



December 5, 2006

1 How many years worth of pipeline is that? I mean if we are getting 23,000 a year is like  
2 5 or 6 years?

3  
4 Glenn Orlin,  
5 If we are getting--was it 4,000 units units a year? Karl? Probably about 3200

6  
7 Councilmember Elrich,  
8 That's seven years pipeline.

9  
10 Glenn Orlin,  
11 Yeah that's seven years, the pipeline, right now that is seven years with housing.

12  
13 Councilmember Elrich,  
14 And commercial? A couple mil

15  
16 Glenn Orlin,  
17 25 million . Again Karl? Don't have a good number for you , will try and get that.

18  
19 Council President Marilyn Praisner (Incoming President),  
20 We have one more light on and then we will vote on the resolution, which is again just a  
21 resolution to schedule a public hearing, it is not an action, on the resolution on the  
22 amendment. Ms. Trachtenberg

23  
24 Councilmember Trachtenberg,  
25 I was going to direct a question to Mr. Orlin. Councilmember Floreen raised the issue of  
26 affordable housing. At some point when we do get feedback information from the  
27 planning board and even from you, is there someway we can break out the impact on  
28 affordable housing? Just to get a sense of it?

29  
30 Council President Marilyn Praisner (Incoming President),  
31 I can't imagine the number is very large given the points that Mr. Elrich has made but  
32 would definitely like to--

33  
34 Glenn Orlin,  
35 We could certainly make a good estimate.

36  
37 Councilmember Trachtenberg  
38 What would you have an idea?

39  
40 Glenn Orlin,  
41 Right, not right now.

42  
43 Okay, but, we-we could see that, I think that would help clarify.  
44



December 5, 2006

1 Council President Marilyn Praisner,(Incoming President),  
2 The motion in front of us I believe it was made by Mr. Andrews and seconded by Mr.  
3 Elrich is to schedule the public hearing for the 16th of January at 7:30 p.m. All in favor of  
4 the resolution on the public hearing that is unanimous thank you. We will now, turn to an  
5 overview and comments on the economic indicators and the fiscal plan, this is on our  
6 schedule at the request several years ago of Councilmember Floreen, that the full  
7 council as it begins its consideration of both capitol and operating budget and spending  
8 affordability, has an opportunity to fully understand the fiscal contact system which we  
9 are operating. I want to welcome to the table Jennifer Barrett who I assume is sitting  
10 here for us, representing finance department, given the fact that the gentleman who  
11 would normally be sitting there has other responsibilities at this point. That being Mr.  
12 Firestine. What I would like to have because this is the first time the council will be  
13 meeting with this group, is to ask you to introduce yourself down the line please. Mr.  
14 Hagedoorn and your position please.

15  
16 Rob Hagerdoorn,  
17 Rob Hagerdoorn, Chief Division of Treasury, Department of Finance.

18  
19 David Platt,  
20 Good morning David Platt, Chief Economist, Treasury Division, Department of Finance

21  
22 Jennifer Barrett, acting Director Department of Finance.

23  
24 Beryl Feinberg,  
25 Beryl Feinberg, Operating Budget Co-Coordinator OMB

26  
27 Rob Hagedoorn,  
28 Good morning Alex Espinosa, Operating Budget Co-Coordinator, OMB

29  
30 Joe Beach  
31 Hi, Joe Beach, Acting Director, Office of Management and Budget.

32  
33 Council President Marilyn Praisner,(Incoming President),  
34 Thank you all. I am going to turn this over to Mr. Farber.

35  
36 Mr. Farber,  
37 Thank you, Ms. Praisner. Our colleagues from OMB and Finance are here and we do  
38 work closely with them on a consistent basis. We do economic indicators on a quarterly  
39 basis and then twice a year we update the fiscal plan. We have been doing that since  
40 1993. This afternoon you will have a public hearing on fall spending affordability  
41 guidelines for the 2008 operating budget. My colleague Chuck Sherer is handling that  
42 issue and Keith Levchenko is working with us and we will have a few slides to show you  
43 in the few minutes we have available this morning. As far as economic indicators are  
44 concerned I think as everyone knows, the national economy has been strong, There is a



December 5, 2006

1 4.4%, unemployment rate, the stock market has been strong, oil prices and interest  
2 rates, long term rates, have come down but the economy is slowing. 5.6% growth in the  
3 first quarter, 2.6% in the second quarter, 2.2% in the third quarter as revised. At the  
4 regional level, we have a similar phenomenon, we've got as you know one of the  
5 strongest regional economies in the country. We are doing extraordinarily well. But  
6 there are indications of a slowdown in the regional economy. We have some slides that  
7 will show that. As far as the county time is concerned we are virtually at full employment  
8 with a 2.7% unemployment rate and again many other indicators of strength. These are  
9 some slides that Mr. Platt, our Chief Economist in the Finance Department has  
10 prepared. This was for the MFP committee last week and both Mr. Berliner and Ms.  
11 Trachtenberg were able to join the committee for that. This first slide shows that  
12 economic growth in the region according to leading indicators has been very strong but  
13 as you can see over on the right, we're seeing-we are beginning to see a slowdown  
14 projected by the economic indicators and that is parallel with the slowdown at the  
15 national level. Another indicator of that has to do with the regional stock index. It has  
16 been rising as you can see from this slide more slowly than the Russell 2000 index,  
17 again indicating a slowdown. It is not a serious matter at this point. We are slowing  
18 down, to a more sustainable growth rate according to Regional Economist Steve Fuller  
19 of George Mason University. This next slide shows that employment has continued to  
20 be very strong, it is slowing down to some degree but in this area we are fortunate to  
21 have very strong employment growth. It is interesting if you look over here, this is the  
22 early part of this decade and as you can see employment growth was extraordinarily  
23 slow and in some quarters negative, and again we have had strong employment growth  
24 that does continue but it is slowing as well to some degree. Here we have an important  
25 slide from Mr. Platt on the issue of residential construction. As he points out, this decline  
26 started in 2000 and we do see a continued decline starts down 29% for this year and  
27 the decline in residential construction is down 12%. Here we have further indication of  
28 the slowdown in the housing market. This is for Montgomery county. home sales are at  
29 their lowest level since 1998 and are down 24% since the start of the year. And again  
30 this is the issue of average home sales price. Actually prices have continued to rise  
31 although they have moderated. As Mr. Platt has pointed out they were actually flat in the  
32 third quarter, so the growth in home prices has stopped. Here again the inventory to  
33 sales ratio tells the same story. This is taken from Circle 32 in your packet. This is part  
34 of the fiscal plan that we work on twice a year. This is only a snapshot in time. The next  
35 fiscal plan will come out in March with the county executives recommended budget for  
36 FY08. This is a truncated version of what is on circle 32. What you see is the approved  
37 FY07 budget. The projected change and the recommended 08 at this point in time,  
38 again this is early and then we have included the final year of the six years, fiscal year  
39 13. As you can see, at this point in time we project that resources are going to be up for  
40 allocations to agencies about 8%. The historical rate of growth it's 7.3% or 7.4% over  
41 the last years as being used for agencies and If you do that then what you can see is  
42 that in the number 17.5 million right there, this would be you would have a slight surplus  
43 in fiscal year 08 using these assumptions, but a key factor is that we are assuming  
44 property tax at current rates.





December 5, 2006

1  
2 Mr. Farber,

3 You can see on Line 16 the Gasby 45, 5 year phase and this is retiree health insurance  
4 and if we do phase that obligation in over 5 years, the first year cost as you can see  
5 would be nearly \$32 million dollars, but the cost over times rise in fiscal 13 to nearly  
6 \$200 million dollars per year. So this is a very heavy obligation from the governmental  
7 accounting standards boards disclosure requirements this assumes that we will actually  
8 be funding it. And finally in the last line property tax that fits that fairness in taxation or  
9 that is the charter limit and that actually is the most consequential item here, the chart  
10 ornament as you know limits the annual growth in property tax revenue to the increase  
11 inflation as far as existing real property is concerned, new construction doesn't count in  
12 that. The charter limit was passed by the voters in 1990, we have had 16 years of  
13 experience with it and in 13 of those 16 years we have the council has voted to to  
14 adhere to the charter limit. It's only in fiscal years 3, 4 and 5, 2003, 2004, 2005 that the  
15 council has voted to exceed it. And a key question in the coming years budget will be  
16 whether the council or how the council deals with the charter limit. Right now and again  
17 this is only a snapshot in time, what this table shows down at the bottom there, property  
18 tax, if fit, is if we were to adhere to the charter limit, the loss of revenue would be about  
19 \$159 million and there would be a budget gap, but again this in early in the process and  
20 will have much more up to date data in a few months. I wanted to show two more slides  
21 -- one has to do with income tax revenue. Some people assume that income tax does  
22 not go up every year, well it doesn't. Here is a key difference when this council or rather  
23 the last council came aboard, it faced a very difficult fiscal circumstance and you can  
24 see that between 02 and 03 there was a reduction in income tax revenue, it was  
25 actually 9.1% and 4 years ago the council voted to increase the income tax rate from  
26 2.95% to 3.2% of Maryland taxable income that plus the recovery since then helps to  
27 explain the substantial growth in income tax but it is not always in a straight line and that  
28 is something that we need to keep in mind.

29  
30 Council President Marilyn Praisner (Incoming President),

31 Steve, on that it point it would be very helpful I think if we used this kind of chart in the  
32 future to note wherever we change rates and where increases or decreases are  
33 attributed to rate modifications.

34  
35 Mr. Farber,

36 Right. As you say Ms. Praisner that is a factor in the substantial increases in the more  
37 recent fiscal years. Finally, this is a slide that illustrates the difference between current  
38 rates, the FY07 rates and the charter limit. The charter limit will basically have your  
39 property tax revenue growing at roughly the rate of inflation a little bit more than that.  
40 Constant rates or FY07 rates projected out for 6 years will bring in a great deal more  
41 revenue. The fiscal plan on Circle 32 as its constituted now assumes current rates but  
42 that of course means that the charter limit would not be observed, that of course is a  
43 decision to be made year by year. The immediate decision is here in FY08 where as I  
44 said there is difference between current rates, FY07, property tax rates and the charter



December 5, 2006

1 limit rates of \$159 million. That as we approach the FY08 budget in the spring will be  
2 one of the key issues. I think there's only one other page in the presentation in the  
3 package you have that's worth discussing at this point and that is on Circle 67, where  
4 there is a review of work years per thousand population in county government. It is an  
5 interesting table and what it shows is that over the last decade, the work years, the  
6 county government work years per thousand population has actually risen from 8.9 to  
7 9.9 a lot is public safety related, police, fire, and corrections. But the MFP committee  
8 has spent a great deal of time working on productivity issues. The difference between  
9 8.9 and 9.9 is actually about a thousand work years when you project it out to a  
10 population of a million. And so these are key issues moving forward that we have to  
11 look at. The MFP committee as I said, has already done a great deal of work on  
12 productivity and will be continuing that.

13  
14 Council President Marilyn Praisner (Incoming President),  
15 Well, we have a lot more to work to do on productivity I see when I went out to get a cup  
16 of coffee, that Mr. Firestine had enough time to come back and join us, that's great.  
17 Good to see you, Tim. I look forward to meeting with you next week. Just a couple of  
18 comments from my perspective as the former chair of the management fiscal policy  
19 committee, that sounds strange to me, I must say. The fiscal plan and these estimates  
20 are built on assumptions of the former County Executive's approach to dealing with the  
21 fiscal plan. We have yet to hear from the new County Executive as to his approach to  
22 the perimeters of the fiscal plan. One could just as easily build a fiscal plan that  
23 assumed the charter limit rather than the current rates in which case the charts would  
24 look a little different to begin with. In addition, as we noted in the management of fiscal  
25 policy committee, much of the information that we receive, well two points I wanted to  
26 make, income tax revenue as the chart showed is much more volatile and more difficult  
27 to estimate. It is also a challenge because of the fact we must rely on the the state for  
28 the not only the distributions of the funds but also the information as to breakdown. We  
29 have already in a variety of ways approached the comptroller elect about the fact that  
30 the information we receive as to capital gains piece of income tax has not been received  
31 by this county or any county for almost 10 years. So that distribution is specially critical  
32 for Montgomery County where so much of our income tax revenue isn't not the  
33 withholding piece that most of us are used to or who are salaried and see withholding  
34 paid as you go along. A lot is capital gains either from the stock market or bonus or land  
35 sales and it's very hard to estimate income tax revenue alot of is capital gains either  
36 from the stock market or from bonuses or from land sale capital gains, and therefore it's  
37 very hard to estimate income tax revenue and as the income tax becomes the largest  
38 piece or potentially the largest piece each year in the future of our revenue strength, the  
39 largest single piece, those kinds of data points become even more critical for the folks in  
40 front of us and the folks on this side of the table as we not only look at that current fiscal  
41 year and the next fiscal year but also look at 6 year plan of sorts. We are very blessed  
42 in this county from my perspective by the outstanding staff and many of those are sitting  
43 in front of us today who do incredible work in trying to provide us in a public way which  
44 is the other point I want to make. The data points and their best estimates, so let's



December 5, 2006

1 remember not to shoot the messenger the work that they do is incredible and the efforts  
2 we try to make in this arena, are challenging to put it bluntly. We will at times be off. The  
3 reason why we're off is because of the challenging data points and because we don't  
4 control all of the components. But, my view is I'd like to be off with an under estimation  
5 of revenue than an over estimation. Makes it a lot easier we can always find ways to  
6 spend the wind falls but it's awfully hard having sat here in 1991 midyear, to tell people  
7 they can't spend any of the money we gave them. To make some very belt tightening,  
8 very difficult belt tightening measures that affect our employees as well as those who  
9 receive contracts and those who are anxious for programs to materialize. So with that in  
10 mind, I see a couple of lights Mr. Andrews was first then Ms. Floreen.

11  
12 Councilmember Andrews,

13 Thanks Madam President. Well I want to thank all the Executive Branch staff and Steve  
14 Farber for the very good work on this. It's well done and it's comprehensive and it really  
15 does put the issues before us. It will be critical as to what County Executive Leggett  
16 decides about the charter rate. That will be a critical assumption he makes in his budget  
17 so and it could very much change the assumptions in the current fiscal plan so that will  
18 be critical. I think that it's important the note that while there actually was a decline in the  
19 income tax revenue from FY02 to 2003, and actual absolute decline, if the you stick to  
20 the charter limit, there isn't a decline there's an increase at about the inflation rate.  
21 When we talk about a loss of revenue on property tax; I don't think that's ever, may  
22 never had happened actually perhaps it happened once in the early 90s, I'm not sure,  
23 but it's not going to happen for a long time given the current level of assessments of  
24 homes and what I think is also important to note that is if you go and stick at the current  
25 rates for property taxes for most people that would mean a 10% increase each year for  
26 a number of years. Because of the the huge increase in the assessments in the last few  
27 years that were done and are done on a three year basis, so the implication of sticking  
28 to current rates is almost a doubling of people's property tax bill over a 7 year period.  
29 That to me is not only unrealistic but unfair. I think the council has in the past few years  
30 made a conscious decision to shift more of the tax burden to the income tax and to try  
31 to keep property tax rates at a reasonable level. With the property taxes payments that  
32 are reasonable level because property taxes are more regressive than income taxes  
33 and people have no control once the property tax rate is set over their payments,  
34 whereas income varies an income is a better measure of ability to pay. So I think that's  
35 it's important to note the decisions the council has made that affect the progressivity of  
36 the tax structure as well as looking at what the effect would be if we were to keep  
37 property tax rates current in the succeeding years. It would mean a big increase in the  
38 people's property tax bills.

39  
40 Council President Marilyn Praisner (Incoming President),  
41 Ms. Floreen?

42  
43 Councilmember Floreen,  
44



December 5, 2006

1 Thank you Madam President. I'm looking at Circle 28 of our packet which is the revenue  
2 summary and I just want to make sure I was I'm reading this correctly. Is it accurate to  
3 say that it's basically the income tax and under that the, within that the capital gains tax  
4 that is making up for the loss of anticipated revenue in the other categories? You have  
5 Ms. Praisner's cold here  
6

7 David Platt

8 Bear with me, I apologize. There have been two things happening Madam President,  
9 Ms. Floreen on the income tax. One is the growth in the employment has bumped up.  
10 Those receipts that we didn't anticipate last year, in other words the growth is Mr.  
11 Farber has shown in the slides, we have pretty good heroic employment growth and  
12 that was one factor that attributed to the plus up in the income tax and it has been the  
13 capital gains plus other non withholding income that came in the for our November  
14 distribution that was unanticipated was much higher. So yes, two factors, the  
15 employment growth and the non withholding income that we usually get in January that  
16 was pushed up in November but the amount would have been the same.  
17

18 Councilmember Floreen,

19 About the same. So looking at--at the bottom line what we have is about 50 plus million  
20 increase in anticipated revenues from what we anticipated previously? Is that correct?  
21

22 David Platt,  
23 Correct.  
24

25 Councilmember Floreen,

26 We have a little wiggle room this year.  
27

28 David Platt

29 A little wiggle room, yes  
30

31 Councilmember Floreen,

32 A little. Okay. I want to make sure I got that snapshot accurately described thank you.  
33

34 Council President Marilyn Praisner (Incoming President),  
35 Ms. Ervin? Valaeie can you put your mike on?  
36

37 Councilmember Ervin,

38 Oh sorry. I want to ask a couple of question jobs, about our employment rate. We have  
39 been hearing a lot about employment growth but my question has to do with what kind  
40 of employment are we talking about and what kinds of jobs are people working in. My  
41 question has to do with what I call under employment, that there are people who have to  
42 work 2 or 3 jobs to pay rent. What does that look like for us in our county, is there a way  
43 to capture that first, I want to know that. The second question is what is the correlation



December 5, 2006

1 between the slow down in housing and jobs? So first what kind of employment are we  
2 talking about in Montgomery County and what's that correlation?

3  
4 David Platt

5 Madam President, Ms. Ervin, on the employment side we get the macro level of  
6 employment, basically we have the sectors, we look at trade sector and we look at the  
7 financial services sector, we look at the hospitality sector. We don't have the data within  
8 those particular sectors to say which is below or above for example I know the council  
9 has asked the question about the minimum wage issue, how many are below and  
10 above the minimum wage. We don't have that data. We have approached our good  
11 friends up in Maryland Department of labor and licensing and regulation. If they could  
12 provide us with that information and to be honest with you, they have a very difficult time  
13 breaking that out themselves because of the type of data they collect. They give like to  
14 buy establishments but they don't collect it by the individual employee.

15  
16 Councilmember Ervin,

17 I think that's a very data point because as we talk about slowing growth in Montgomery  
18 County. It has a direct impact on jobs and the kind of jobs people have to work to live in  
19 this County. So I'm very curious about how we get access to that kind of information  
20 which will really help us to be able to make some sound judgment calls as we're  
21 approaching these big questions that we're going to take up. I really noticed,. I was very  
22 curious about this slow down in the housing and what is the correlation there. What  
23 we're looking at in terms of job growth or stagnation?

24  
25 David Platt

26 Again Madam President, Ms. Erwin. We have seen job growth still pick up even with the  
27 slow down in the construction but there has been a trade off between construction in the  
28 residential versus construction in non residential. There has been some anecdotal  
29 evidence to suggest that the employment though has subsided in the residential  
30 construction has picked up in the non residential because our starts that we have shown  
31 in the non residential section have picked up rather dramatically in the office and bank  
32 building sector the last fiscal, calendar year, excuse me. So there is a trade off on the  
33 construction side of this. On the other effects on the I would call the secondary effects,  
34 we are unable to provide or get that information unless we can go back to the state to  
35 see if there has been a slow down in those other related sectors other than directly  
36 related to the construction industry to see if there is anything in that. We can check that  
37 out certainly.

38  
39 Council President Marilyn Praisner (Incoming President),

40 To the extent you can provide information or we can know and in response to Ms.  
41 Ervin's question. How we might leverage the state to try to break something out,  
42 obviously they can tell you where the job has been created but they can't tell you where  
43 the employee lives, I think is the point you're trying to make.





December 5, 2006

1 David Platt

2 That's correct Madame President exactly.

3  
4 Council President Marilyn Praisner (Incoming President),  
5 Right, okay, alright. Mr. Leventhal?

6  
7 Council President George Leventhal (Outgoing President),  
8 The last exchange between Councilmember Ervin and Mr. Platt makes me ask question  
9 which is either to Mr. Platt if we can the answer or if staff can get back to me. Mr.  
10 Andrews earlier talked about a decision by this council to adopt a policy of faster job  
11 growth rate than housing growth rate. And I will just ask Phil, are you referring to the  
12 economic strategy document that the Department of Economic Development sent over  
13 her a few years back?

14  
15 Mr. Platt,

16 Yes.

17  
18 Council President George Leventhal (Outgoing President),  
19 Phil you will recall that when we had that debate and you talked about trying to balance  
20 the job ratio with the housing ratio, I voted with you.

21  
22 Mr. Platt,

23 Yes sir, I remember that.

24  
25 Council President George Leventhal (Outgoing President),  
26 I you know indicated at that time that one could interpret a desire for job and housing  
27 ratio and balance to mean a desire for more housing, it doesn't necessarily mean  
28 clamping down on jobs or housing. But my question and I don't if there is anyone in the  
29 room can answer this and we I don't expect to get the answer today. I think that there is  
30 a rough correlation not a precise correlation between the annual growth policy that this  
31 council adopts and the actual on the ground outcomes in terms of new projects  
32 approved by the planning board because the planning board takes our guidance on the  
33 annual growth policy as it's measurement of whether something is in conformance or  
34 not whether it meets staging requirements, whether it is able to fit within the annual  
35 growth policy. When we talk about the power we, the nine of us, actually have to  
36 influence the real economy, the adoption of the the annual growth policy gives us some,  
37 it's not a precise instrument but some actual power because in order for a development  
38 to occur it has to be approved by the planning board and the planning board either will  
39 or won't approve it, based on a broad frame work. Having said that I think that the  
40 specific document that my friend Phil so often references here as an example of the  
41 horrible failure of the last council has exactly Zero impact on the real on the ground  
42 economy. That the fact that we adopted a strategy plan in the Department of Economic  
43 development had exactly the force and effect of you know a bunch of computer paper  
44 sitting on a shelf. I mean that there that--that--there was there were no additional jobs





December 5, 2006

1 directly related to that, there were no approvals or disapprovals directly related to that  
2 and it was nothing more than a call to action to do the best we can to stimulate a  
3 healthy economy but it was not regulatory mechanism. And in fact it did not represent in  
4 any way a real policy that had any real effect on the rate of job growth. So I would be  
5 interested if there were, if there was any correlation whatsoever between anything the  
6 council ever said or did regarding how many jobs we want and how many job we  
7 actually got.

8  
9 Council President Marilyn Praisner (Incoming President),  
10 That sound like a very interesting question that I would like to suggest to my folks, my  
11 friends, we can have a philosophical dialogue about but cannot resolve today. In the  
12 interest of moving along I'm going to ask Mr. Elrich to make his comments and then if  
13 there are no questions for the folks at the table we'll move to our next item, Mark,

14  
15 Councilmember Elrich,  
16 I will make my comment brief. Regardless of what the growth policy is the reality is  
17 we've got so much stuff in the pipeline that it's hard to attribute a change in our growth  
18 policy to what actually gets built in a given year. This is in fact where the market comes  
19 in to play. Whether they built 1,000 out of the 23,000 housing units we have under the  
20 pipeline or 4,000 of the 23,000 units has very little to do with the council and everything  
21 to do with whether the overall market conditions is the same, this is the time to build or a  
22 time not to build. So I don't think that any suggestion for the council to make a decision  
23 to deal with the growth policy that in any way slightly shrunk the number of new  
24 approvals, it would have any effect on what would actually get built given our pipeline.  
25 We're not going to be the ones who are going to determine that. It might have an effect  
26 a decade from now, at which time the council will have plenty of time to react to new  
27 conditions and decide what the status of infrastructure and everything was. At this point,  
28 but at this point, what we do I don't think really matters.

29  
30 Council President George Leventhal (Outgoing President),  
31 Madam President?

32  
33 Council President Marilyn Praisner (Incoming President),  
34 George, one 30 seconds please so we can move on to.

35  
36 Council President George Leventhal (Outgoing President),  
37 What--what I understand—

38  
39 Council President Marilyn Praisner (Incoming President),  
40 We have your brother-in-law waiting for us

41  
42 Council President George Leventhal (Outgoing President),



December 5, 2006

1 What I understand--what I understand my friend and neighbor Mr. Elrich to be saying  
2 that it isn't actually within our power, our power, as elected officials to slow growth and I  
3 appreciate that point.

4  
5 Councilmember Elrich

6 I do get a rebuttal to that, a brief one

7  
8 Council President Marilyn Praisner (Incoming President),  
9 Five seconds. (laughing)

10  
11 Councilmember Elrich,

12 Too short. Once you let a certain amount of stuff out of the barn it's hard to get them all  
13 back in. But the fact that a lot of stuff has been let out of the barn doesn't mean I would  
14 continue to let the animals out of the barn.

15  
16 Council President Marilyn Praisner (Incoming President),  
17 Well the animal conversation is wonderful. Thank you all very much for the overview.  
18 Whether its land use or economics, or fiscal policies, we obviously are going to focus on  
19 these issues in the coming months. The council is going to recess now for an interview  
20 of our Director of the Public Information. But folks if just a minute we need a motion on a  
21 proposed closed session for the purpose of consulting with council to obtain legal  
22 advice regarding pending or potential litigation, the topic is American Financial Services  
23 versus Montgomery County, and its article X. Folks if you could please leave quietly.  
24 Folks. Thank you. Article 10058, A7 and 8, I need a motion for closed session Mr.  
25 Knapp, is there a second. Ms. Trachtenberg, Ms. Ervin? Oh, okay. All in favor of the  
26 motion or the closed session? That Nancy and Mark are you voting on the closed  
27 session?

28  
29 Councilmember Floreen,  
30 We are all for it

31  
32 Council President Marilyn Praisner (Incoming President),  
33 It is unanimous. We will move to the sixth floor conference room for the interview, move  
34 directly into the closed session and will be back here at 1:30 for the public hearing.  
35 Thank you all very much.

December 5, 2006



**TRANSCRIPT**  
**December 5, 2006**

**MONTGOMERY COUNTY COUNCIL**

Marilyn J. Praisner, President	Michael Knapp, Vice President
Phil Andrews	Roger Berliner
Marc Elrich	Valerie Ervin
Nancy Floreen	George Leventhal
	Duchy Trachtenberg



December 5, 2006

1 Council President Praisner,

2 Good afternoon ladies and gentlemen. This is a very hoarse Council President but it's a  
3 also a public hearing on the Spending Affordability Guidelines that the council must set  
4 for the FY08 Operating Budget under Charter Section 305 and Section 20-59 to 20-63  
5 of the County Code. The guidelines must be based on affordability rather than need and  
6 may be higher or lower than those considered at the public hearing. The guidelines  
7 establish a ceiling subject to a subsequent seven vote council override on the aggregate  
8 operating budget, recommended agency spending allocations, and a ceiling on the  
9 property tax revenues. The council may amend the guidelines in April 2007. A  
10 Management and Fiscal Policy Committee work session is scheduled for December  
11 11th at 10:30 a.m. Persons wishing to submit additional information for the council's  
12 consideration should do so by the close of business Wednesday, December 6th. Before  
13 beginning your presentation, please state your name clearly for the record. We have  
14 two speakers. Could you please come forward. Sharon Cox for the Board of Education  
15 and Marvin Weinman for Montgomery County Taxpayers League. Sharon, good to see  
16 you again. You are first.

17  
18 Sharon Cox,

19 Good afternoon President Praisner, members of the council. I'm Sharon Cox, Vice-  
20 President of the Board of Education and I thank you for this opportunity to testify on  
21 behalf of the Board. Congratulations to the new council leadership Ms. Praisner, Mr.  
22 Knapp and the new and returning council members and we -- the members of the Board  
23 look forward to working with all of you to achieve our vision and mission. It's no  
24 coincidence that education and children feature prominently in your cumulative  
25 experience. Our citizens put a high value on education and service to children. They  
26 know that the Board, the council and the County Executive are partners in our common  
27 effort for children. This partnership helps fuel the economic engine of the county  
28 reflected in the fact that for the 12th consecutive year MCPS has been named a gold  
29 medal school system Expansion Management Magazine's measure of the  
30 attractiveness of the school system to the business community. In the spirit of that  
31 partnership the Board urges you to set Spending Affordability guidelines that will  
32 continue to support and enhance the county's investment in our educational programs.  
33 This year our children and our staff continue to demonstrate the success of the county's  
34 prior investments. 88% of kindergartners attained benchmark reading levels with a  
35 subsequent decrease in racial, ethnic and socioeconomic achievement gaps.  
36 Newsweek ranked all 23 of our eligible high schools in the nation's top 3% based on the  
37 number of students taking advanced placement and IB courses. The Post noted our  
38 milestone and college preparation with half of our African-American high school  
39 students enrolled in honors and AP courses with more than 75% of seniors taking the  
40 SAT test. The class of 2006's combined SAT score of 1634 topped the Maryland  
41 average by 123 points and the national average by 116 points. Kimberly Oliver's  
42 selection as the 2006 National Teacher of the Year is symbolic of all of our excellent



December 5, 2006

1 staff. Yet more remains to be done. The Board appreciates the council's top budget  
2 priorities for fiscal year include education and after school programs. We have  
3 introduced extended day and extended year programs at all middle schools. We intend  
4 to strengthen these and other services as we work to better our middle schools and  
5 target interventions for secondary students falling too far behind. To improve our focus  
6 on accountability the Board expanded efforts to get public input on our strategic plan,  
7 helping community leaders to obtain their member's input, holding a public forum and  
8 encouraging individuals to participate via the web and mail in cards. The public's  
9 interest will be clearly reflected in the Board's FYO8 Operating Budget requests and our  
10 next revision of the strategic plan. Your consistent support for our schools in the  
11 productive partnership of the Council Executive and Board make us confident that the  
12 FYO8 Operating Budget will include the resources needed to help all our children. We  
13 again ask you set the Spending Affordability Guidelines at a level that allows us to  
14 maintain the momentum we have built with our instructional reforms. Thank you and I'm  
15 happy to answer any questions you may have.

16  
17 Council President Praisner,  
18 Thank you. Marvin

19  
20 Marvin Weinman,  
21 My name is Marvin Weinman. I'm president of the Montgomery County Taxpayers  
22 League. I'd like to congratulate all the newly elected council members and the officials  
23 that were elected as President and Vice-President. I look forward to working with you as  
24 I have done over the last four years with the previous council. I completed the written  
25 testimony over the weekend and so many positive things have happened in the last few  
26 days that I would like to take some time to address them and hope you would take the  
27 time to read the written material not covered in the three minutes time limit I have. I  
28 believe the public has been impressed with the recent actions of our newly elected  
29 executive. His personal actions to date will allow him to proceed with his vision that he  
30 spoke to yesterday. I have read his speech and am pleased to see that he has  
31 addressed issues that the league saw reflected in the informal Montgomery County  
32 resident summary you will find in my written testimony. I was also encouraged by  
33 today's council session where Council President Praisner showed she was ready to  
34 take positive action in initiating legislation that related to development. All this activity on  
35 the part of our elected officials is a great first step in providing the responsive, effective,  
36 fiscally responsible, and effective county administration, the county executive spoke to  
37 yesterday. What we will go ahead with my testimony on the SAG. Jumping down to  
38 addressing the SAG there is concern about the following: recognizing the fine work  
39 that's done by council staff and especially Chuck Sherer. All that is done is a  
40 presentation of the data in relation to the information that's provided. It does raise some  
41 concerns and I'd like to address those three very briefly. The history of CIP has  
42 continuing overruns, we really need to address, and the numbers show that as the -- as  
43 the CIP increases, we will have additional problems if we don't get the act together on  
44 having better monitoring. The next thing is on the Montgomery County Public School





December 5, 2006

1 population estimates where 2,138 students fewer than the projected FY07 Budget  
2 appropriations. That is something that I don't know how is handled in the SAG but really  
3 needs to be looked into and we also have concern for the \$89.4 million in 2008 revenue  
4 reduction and reserve reduction, rather. So that is another issue. What we did produce  
5 was a survey, if you take a look and you'll see that this is rather informal all it did was go  
6 out to 35-- well, it went out to about a hundred people. We got 35 responses with 69  
7 votes. All this was was a strawman kind of situation. We understand that the County  
8 Executive might be undertaking something like this on a broader base similar to what  
9 Rockville does on a biannual basis but I think it does show a few things of concern that  
10 you might want to consider. We have the major issues that are accountability in  
11 government and salary and compensation. Some of the others that are really highlights  
12 and just open for discussion are the need for open government with public input,  
13 property tax assessment and reduction -- I didn't get to do anything but the text is there  
14 and I hope you will read it because it does identify a number of issues and concerns.

15  
16 Council President Praisner,

17 Thank you very much. As you know, Marvin, the three minute limit was put in place by  
18 the previous council in order to provide opportunity for more individuals to testify. But  
19 you are not precluded from incorporating whatever written material and you've done an  
20 excellent job of doing that and I'm sure that the Management and Fiscal Policy  
21 Committee under Ms. Trachtenberg and the full council will review the materials that  
22 you've provided.

23  
24 Marvin Weinman,

25 I recognize that in my testimony that three minutes is is is not unreasonable in this  
26 situation that occurs for the council and a long period of time that it takes to address 30  
27 or 40 people coming in so I recognize that. Thank you.

28  
29 Council President Praisner,

30 And Sharon, your, Mr. Weinman's, Marvin's testimony does speak to one issue, and  
31 that's the-- I think it's been several years in a row now that student enrollment has not  
32 achieved the level that was anticipated and I believe last year the lack of that enrollment  
33 generated a significant amount of revenue the superintendent chose or suggested that  
34 we use in other ways. I think it would be important for this council as we begin this  
35 process, to have, if you all could provide to Mr. Sherer the last five years, including this  
36 year, the enrollment projected when we did our funding per pupil funding assumptions  
37 and the actual enrollment and what the revenue difference would have been for those  
38 individuals and how that money was used, either to generate a surplus for reserve to be  
39 used the subsequent year or used for other purposes but I think it would be helpful with  
40 the new council if we had that information if you could provide it for us.

41  
42 Sharon Cox,



December 5, 2006

1 We will be happy to provide that Ms. Praisner and I would, also, if you're interested, give  
2 you some information about what we anticipate to be increases in costs that are not  
3 impacted by enrollment, if that would be helpful.

4  
5 Council President Praisner,  
6 Right. We've had that conversation before about the variety of construction costs and  
7 other personnel cost and other issues.

8  
9 Sharon Cox,  
10 Things like that.

11  
12 Council President Praisner,  
13 Right. But the point is, of course, that's a per pupil expenditure and it's based on an  
14 assumption of enrollment and obviously if the child doesn't occur, doesn't appear then  
15 that dollar amount that was targeted for that individual has in the past, been assumed to  
16 be available for the future year.

17  
18 Sharon Cox,  
19 Right.

20  
21 Council President Praisner,  
22 I think that would be very helpful. The other point I just wanted to share since we haven't  
23 had a Board member present in the other conversations, and that's not a criticism. I'm  
24 just commenting because you've been ably represented by staff, you will see in the  
25 spending affordability process at least at this point that we have created line items. Mr.  
26 Sherer has created a line item to show the cost of GASB45, which is the prefunding of  
27 retiree benefits and it's not seen as an individual agency at this point. I believe it's  
28 shown as an-- just as debt service is not seen as individual agencies but is in a lump  
29 sum. That's not to say that the council will automatically use that format in the future.  
30 We just thought it was critical to ensure that we begin the process we expect each of  
31 the agencies, including the school system, to be bringing us and the MFB Committee  
32 will monitor the tracking on that on the trust fund development, and also will have an  
33 opportunity to obviously look at the absorption of those costs but at whatever point, we  
34 will obviously need to funnel that back into the individual agencies and also look at it  
35 from that perspective and we would expect that all of the agencies will be meeting their  
36 obligations and doing so with an anticipated five year cycle for completion.

37  
38 Sharon Cox,  
39 And the Board is aware of the need to fund that over time and we're looking for a  
40 recommendation from the superintendent and I will carry back your interest in having  
41 that time frame be of five years.

42  
43 Council President Praisner,



December 5, 2006

1 Great, thank you. I think that's been the conversation in all of the committee discussions  
2 given the bond rating agencies appearing acceptance of five years, but not greater. So I  
3 think that's critical. Mr. Elrich.

4  
5 Councilmember Elrich,

6 Good afternoon. I have a question regarding the school budget. It's more an analytical  
7 question than anything specific but we talk about per pupil funding. being a classroom  
8 teacher I know that if I lose a student, it doesn't cost any less to run the classroom, and  
9 if I gain a student, it doesn't necessarily cost \$10,000 more to run a classroom so I  
10 wonder whether we do any kind of analysis that shows the incremental of for example  
11 losing 1,000 students, because losing 1,000 students spread over a hundred and was it  
12 seventy something schools results in reduction of maybe six or seven kids per school,  
13 which doesn't necessarily lead to a reduction of any need for any teachers, any need for  
14 any support staff, maybe one less textbook, maybe a few less reams of paper that I  
15 copy on, but it doesn't necessarily translate into a savings of number of children times  
16 the cost per pupil.

17  
18 Sharon Cox,

19 Ant that's exactly right Mr. Elrich and we'll be happy to provide you with that information  
20 when we respond to Ms. Praisner's first question.

21  
22 Council President Praisner,

23 That concludes this public hearing. The Management of Fiscal Policy Committee and  
24 the Health and Human Services Committee will meet at 2:00 in the seventh floor. We  
25 are adjourned. Thank you  
26